GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1096
ANSWERED ON:20.08.2007
MORE POWERS TO FORWARD COMMISSION
Tripathy Shri Braja Kishore

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Forward Markets Commission (FMC) has sought more power and autonomy to regulate the commodity futures market;

(b) if so, whether the Government proposes to amend Forward Contracts Act of 1952;

(c) if so, the details thereof;

(d) the details of powers and autonomy proposed to be delegated to FMC, for regulating commodity futures market, through proposed amendments; and

(e) the extent to which commodity market is likely to be benefited by such amendments?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN)

(a) to (d): In order to strengthen and restructure Forward Markets Commission (FMC), the Government has introduced Forward Contracts (Regulation) Bill, 2006 in Lok Sabha on 21.03.2006. The Bill, interalia, provides for (i) increase in the number of Members of FMC from four to nine with up to three whole-time Members and a Chairman; (ii) enhancement of the powers of FMC; (iii) conferring power upon FMC to recruit its officers and employees; (iv) conferring power upon FMC to levy fee; (v) creation of FMC General Fund to which all receivables will be credited and (vi) registration of intermediaries with FMC.

(e) : The amendments to Forward Contracts (Regulation) Act, 1952 would strengthen FMC and enable it to regulate the commodity futures market more effectively.